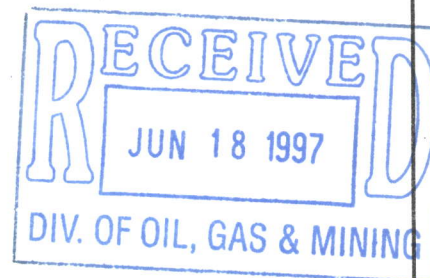




P.O. Box 4017  
Grand Junction, Colorado 81502



June 13, 1997

Anthony A. Gallegos  
Senior Reclamation Specialist  
Div. of Oil, Gas, and Mining  
Box 145801  
Salt Lake City, Utah 84114-5801

Dear Tony:

Since your visit to my minesite, located within the Westwater Mining District, a lot of things have changed. I am unable to secure water for the immediate production at School Trust Land #13, and will have to put that project on hold for at least another 75 days, or until my permit has been approved for that section.

However my water permit, 05-2647, was approved by the Utah Div. of Water Rights, for the Pussycat 1-6. And the BLM has finally admitted that at the NE corner of the Pussycat # 6, there is a 15-20 acre plot of ground that is not within their so called WSA. This 15-20 acre plot falls under the 3809 regs. and not the 3802 regs. that covers all WSA's. I filed for and was approved a plan of operations under the 3809 regs. in Feb. of 1996, by the BLM.

I will be starting to work on this site today, and will keep you informed as to any further information, as it comes available.

Existing disturbances within the 15-20 acre plot.

1. Two existing roads, marked on the map.
2. Old house foundation.
3. Three old time work sites
4. Two old time sump ponds.

Should you have any questions, please feel free to call me at 970-243-4473.

Sincerely,

Ron Pene  
Box 4017  
Grand Junction, Co. 81502



